

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**AUGUST 10, 2006**

The Members of the Department of Financial Institutions met at 10:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Present from the Department were: Judith G. Ripley, Director; J. Philip Goddard, Deputy Director, Chief Legal Counsel and Secretary; James M. Cooper, Deputy Director, Depository Division; Kirk J. Schreiber, Senior Bank Analyst; Mark Tarpey, Division Supervisor, Consumer Credit Division; John Schroeder, Deputy Director, Non-Depository Division and Associate Counsel; Gina R. Williams, Deputy Director, Administration Division; Troy Pogue, Supervisor, Administration Division and Ronda Bailey, Administrative Assistant. Representing German American Bancorp were: Mark Barnes and Matt St. Louis of Ice Miller. Representing Lincoln Bank were: Claudia Swhier of Barnes & Thornburg and Jerry Engle, President and CEO of Lincoln Bank. Representing Forum Credit Union was Steve Mundell, Assistant Vice President of Lending and John McKenzie, President of Indiana Credit Union League.

**I. PUBLIC SESSION:**

- A.** Members Present: Travis Holdman, Chairman, Rick Rice, Paul Sweeney, Mike Davis, and Judith Ripley, Director.
- B.** Next meeting: The next regularly scheduled Members meeting of September 14, 2006, will not be held. The next scheduled meeting will be held on October 12, 2006 @ 10:00 a.m., at the office of the Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.
- C.** Approval of the minutes of the meeting held June 2, 2006. Chairman Holdman entertained a motion to approve the minutes of the June 2, 2006 meeting. Mr. Sweeney moved the approval of the minutes; Mr. Rice seconded the motion, and the motion passed unanimously.
- D. Re-Organization of the Members as stipulated in IC 28-11-1-8.**
  - 1.) Election of Vice Chairman** – Mr. Davis moved for the nomination of Richard J. Rice as Vice Chairman, seconded by Mr. Sweeney. There being no further discussion, the motion passed unanimously.
  - 2.) Election of Secretary** – Mr. Davis moved for the nomination of J. Philip Goddard as Secretary, seconded by Mr. Rice. There being no further discussion, the motion passed unanimously.
  - 3.) Election of Assistant Secretary** – Mr. Rice moved for the nomination of James M. Cooper as Assistant Secretary, seconded by Mr. Sweeney. There being no further discussion, the motion passed unanimously.
  - 4.) Other organizational matters.** There were no other organizational matters to be addressed.

**E. DIVISION OF BANKS AND TRUST COMPANIES:**

**1. German American Bancorp, Jasper, Dubois County, Indiana**

Mr. Kirk J. Schreiber, Senior Bank Analyst presented this application. Mr. Schreiber introduced Mark Barnes and Matt St. Louis of Ice Miller who were attending the meeting representing the applicant.

German American Bancorp, Inc., a multi bank holding company, headquartered in Jasper, Indiana, has six wholly-owned bank subsidiaries located in southwest Indiana. Mr. Schreiber informed the Members that these six bank subsidiaries propose to effect a consolidation pursuant to IC 28-1-7. The six banks are: Stone City Bank of Bedford, Indiana; The German American Bank, Jasper, Indiana; Citizens State Bank, Petersburg, Indiana; First State Bank, Southwest Indiana, Tell City, Indiana; First American Bank, Vincennes, Indiana; and Peoples Bank, Washington, Indiana.

These six banks plan to consolidate into a new, single bank to be known as German American Bancorp which will be located at 711 Main Street, Jasper, the former principal office of German American Bank. The six banks entered into an Agreement and Plan of Consolidation on May 26, 2006. Upon consummation of the consolidation German American Bancorp, Inc. will be the sole shareholder of German American Bancorp.

Pro Forma total assets of the consolidated bank will be \$1 billion with total equity capital of \$97 million and a tier one leverage capital ratio of 8.52%.

The executive officers of the consolidated bank shall be President and Chief Executive Officer Mark Schroeder, President Retail Financial Services and Chief Operations Officer Clay Ewing, President Commercial Financial Services Ken Sendelweck, Executive Vice President and Chief Credit Officer Stan Ruhe, and Senior Vice President and Chief Financial Officer Brad Rust. The board of directors of the consolidated bank will be the same as the holding company board of directors. The consolidated bank intends to reorganize its business through a divisional structure effective at the time of the consolidation.

Mr. Schreiber informed the Members that the information concerning the safety and soundness examinations, CRA examinations and holding company inspection could be found in their outline.

The FDIC approved the consolidation on August 9, 2006, and the Federal Reserve Bank of St. Louis approved the holding company's application to acquire 100% of the stock of the consolidated bank on August 3, 2006.

Mr. Schreiber concluded that based on the findings, the staff recommended the consolidation be approved.

Mr. Sweeney abstained from voting on this application due to his relationship as shareholder of German American Bancorp, Inc. **A motion for approval of the application was made by Mr. Rice and seconded by Mr. Davis. The application was unanimously approved.**

**2. Lincoln Bank, Plainfield, Hendricks County, Indiana**

Mr. Kirk J. Schreiber, Senior Bank Analyst presented this application. Mr. Schreiber introduced Jerry Engle President and CEO of Lincoln Bank and Claudia Swhier of Barnes & Thornburg who were attending the meeting representing the applicant.

Lincoln Bank has filed an application to convert from a federally chartered savings bank to a state chartered commercial bank pursuant to IC 28-1-21.6. In connection with the charter conversion, the bank intends to retain its name Lincoln Bank and relocate its main office to 905 Southfield Drive, Plainfield, Indiana. Lincoln Bank primarily serves Hendricks, Johnson, Morgan Clinton, Montgomery and Brown counties.

Mr. Schreiber stated if the conversion application was approved, Lincoln Bank would become a non-member state chartered commercial bank regulated by the DFI and the FDIC. The Office of Thrift Supervision would discontinue its regulatory authority over Lincoln Bank. Upon conversion there would be no change in directors, officers or operating personnel.

Lincoln Bank is a wholly owned subsidiary of Lincoln Bancorp. Lincoln Bancorp will submit an application to the Federal Reserve Bank of Chicago to become a bank holding company upon approval of the charter conversion.

Lincoln Bank has three wholly owned subsidiaries, Citizens Loan and Service Corporation, LF Service Corp. and LF Portfolio Services, Inc. Citizens Loan and Service Corporation primarily engages in the purchase and development of tracts of undeveloped land. Real estate development is not an allowable activity for state chartered commercial banks; however, IC 28-1-21.6-12 allows the Department to permit a resulting commercial bank from a conversion up to ten (10) years to wind up any activities and divest of any assets that were legal for a federally chartered savings bank. Lincoln Bank has agreed to divest of all real estate development activities within two (2) years from the date of conversion.

LF Service Corp. was set up to perform service activities other than deposit taking for their thrift customers. LF Service Corp. owns 99% of Bloomington Housing Associates, LP which operates a low income apartment project in Bloomington, Indiana. This investment does not meet the statutory definition of a community development project, and therefore, must also be divested. Lincoln Bank has agreed to wind up all activities with Bloomington Housing Associates, LP within five years from the date of conversion.

LF Portfolio Services, Inc. holds and manages Lincoln Bank's investment securities portfolio.

Mr. Schreiber informed the Members that the information concerning the DFI conversion examination, the DFI compliance examination and the OTS examinations could be found in the confidential summary section of their outline.

Mr. Schreiber concluded that the staff determined that the resulting commercial bank would operate in a safe, sound, and prudent manner. The proposed charter conversion would not result in a commercial bank that has inadequate capital, unsatisfactory management, or poor earnings prospect. The management and other principals are qualified by character and financial responsibility to control and operate the resulting commercial bank in a legal and proper manner. The interests of the depositors, creditors, and the public would not be jeopardized by the charter conversion.

Additionally, Mr. Schreiber concluded that the agreement by Lincoln Bank to divest of the real estate development activities within two years from conversion and wind up the low income housing project within five years from conversion was considered acceptable and complies with the provisions for the transitional powers of a conversion pursuant to IC 28-1-21.6-12.

The staff recommended that the Members approve the charter conversion of Lincoln Bank from a federally chartered savings bank to a state chartered commercial bank. The staff also requested the Members delegate to the director the authority to extend the length of time, pursuant to IC 28-1-21.6-12, any deviation from the divestiture plan agreed upon by Lincoln Bank.

**A motion for approval of the charter conversion was made by Mr. Sweeney and seconded by Mr. Davis. The application was unanimously approved.**

**A motion to delegate to Director Ripley the Members' authority to extend the length of time for any deviations from the applicants agreed upon divestiture plan to wind up any activities not permitted for a commercial bank was made by Mr. Rice and seconded by Mr. Sweeney. The motion was unanimously approved.**

**F. CONSUMER CREDIT DIVISION:**

1. Mark Tarpey, Division Supervisor of the Consumer Credit Division, presented a request by Forum Credit Union for approval of a skip-a-payment fee and an on-demand expedited payment fee on consumer loans under IC 24-4.5-3-202(1)(e). Members can approve additional charges under this section of the UCCC and the corresponding section for credit sales under IC 24-4.5-2-202(1)(c). The creditor must submit a written explanation of the charge indicating how the charge would be assessed and the value or benefit to the debtor. Supporting documents may be required. The Department shall determine whether the charge would be of benefit to the debtor and that the cost is reasonable in relation to the benefits. Staff recommended approval subject to certain detailed terms and conditions. Staff recommended that the charges subject to the detailed terms and conditions be approved for

all providers of consumer credit who are subject to the Indiana Uniform Consumer Credit Code under either

the credit sales section of IC 24-4.5-2-202(1)(c ) and the loan section under IC 24-4.5-3-202(1)(e).

Mr. Tarpey briefly reviewed the history of the additional charges section of the IUCCC. The Members had previously been given a written history of the changes to the additional charges section since the law passed in 1971. Member Paul Sweeney asked about procedures to ensure correct assessment of the charge. Staff has recommended that one of the conditions for approval is that each creditor will provide an audit trail to allow DFI examiners to confirm compliance. Member Mike Davis commented that the staff's terms and conditions seemed very reasonable. Chairman Holdman asked about notice of the approval to other creditors. Tarpey advised that information on the approval would be posted at the DFI website.

**A motion for approval of the “skip-a-payment” fee was made by Mr. Sweeney and seconded by Mr. Davis. The motion was unanimously approved, subject to all terms and conditions outlined by the staff which are listed below.**

- The loan has an APR of 18% or less.
- The term of the loan, if closed-end, is 84 months or less.
- The maximum fee per occurrence is \$25.00.
- The fee may not be assessed more than twice in a twelve-month period.
- The loan is a simple interest loan
- No delinquency charge can be assessed on any payment where this charge has been assessed.
- The creditor complies with all applicable disclosures, and provides clear contractual modifications, at the time of the occurrence.
- The borrower signs an agreement indicating the cost of the service at the time of the occurrence.
- The creditor's process will provide an audit trail to allow DFI examiners to confirm compliance with these conditions.

This Additional Charge is approved for all providers of consumer credit who are subject to the Indiana Uniform Consumer Credit Code.

Additionally, the Members of the Department reserve the right to review and reconsider this approval, and these conditions, as necessary.

**A motion for approval of the “expedited payment” fee was made by Mr. Davis and was seconded by Mr. Rice. The motion was unanimously approved, subject to all terms and conditions outlined by the staff which are listed below.**

- The fee is assessed only upon request by the consumer for the expedited payment service.
- The fee may not be established in advance as the expected method for making payments on accounts.
- The maximum fee per occurrence is \$10.00.
- The borrower retains the option of making a payment by traditional means (in person, mail, etc.)
- No delinquency charge can be assessed on any payment where this charge has been assessed.
- The creditor must comply with all applicable disclosures at the time of the occurrence.
- The creditor's process will provide an audit trail to allow DFI examiners to confirm compliance with these conditions.

This Additional Charge is approved for all providers of consumer credit who are subject to the Indiana Uniform consumer Credit Code.

Additionally, the Members of the Department reserve the right to review and reconsider this approval, and these conditions, as necessary.

**G. DIRECTOR'S COMMENTS :**

1. The staff requests that the Members approve the Order of Delegation of Duties to the Director. The original signed copy will be placed in the official minute book. **A motion was made by Mr. Rice and was seconded by Mr. Sweeney. The motion was unanimously approved.**
2. The Department requests that the Members approve the Refund Policy for License Applications and Other Fees-Consumer Credit Division and the amended policy regarding the Rebate of Annual Fees for the Depository Division. Chairman Holdman entertained a motion to approve the Refund Policy for License Application and Other Fees for the Consumer Credit Division. **Mr. Rice moved the approval of the Refund Policy and Mr. Davis seconded the motion. The motion was unanimously approved.**

Chairman Holdman entertained a motion to table the amended policy for Rebate of Annual Fees for the Depository Division and asked Ms. Williams to provide a five year history of annual fee rebates at the next scheduled Members' meeting. **Mr. Davis moved the motion to table the amended policy and Mr. Sweeney seconded the motion. The motion was unanimously approved.**

3. Director Ripley presented to the Members for approval a resolution of appreciation for former Member and Chairman, David A. Bochnowski. **A motion to approve the resolution was made by Mr. Rice and was seconded by Mr. Sweeney. The motion was unanimously approved.**

**4. Irwin Union Bank and Trust Company, Columbus, Bartholomew County, Indiana**

On May 18, 2006, the bank notified the Department of its intent to establish a qualifying subsidiary pursuant to IC 28-13-16. The subsidiary will be known as Stonehenge Community Development XI, LLC, a Delaware limited liability. **This item was for informational purposes only.**

**5. Tower Bank and Trust Company, Fort Wayne, Allen County, Indiana**

On May 25, 2006 the bank notified the Department of its intent to establish two qualifying subsidiary pursuant to IC 28-13-16. The subsidiaries are Tower Capital Investments, Inc., incorporated and commercially domiciled in Las Vegas, Nevada and Tower Funding Corp., incorporated in the State of Maryland. **This item was for informational purposes only.**

**6. Fountain Trust Company, Covington, Fountain County, Indiana**

The Bank notified the Department that the Wingate Branch closed on June 16, 2006. The branch was located at 208 South Vine Street, Wingate, Montgomery County, Indiana. **This item was for informational purposes only.**

**H. ACTIONS BY DELEGATED AUTHORITY:**

**1. MAINSOURCE BANK, GREENSBURG, DECATUR COUNTY INDIANA**

The bank has entered into a purchase and assumption agreement dated April 24, 2006, with First Financial Bank, N.A., Hamilton, Ohio, for five bank branches. One of the branches acquired will never be operational, as the assets and liabilities will be consolidated into an existing bank branch in Madison, Indiana. The bank will purchase approximately \$700M in fixed assets, \$30,000M in net loans and \$25,300M in cash on hand while assuming deposits of \$56,000M.

The bank has applied to the Department for approval to establish four branch banking offices to be located at: 1) 102 West Main Street, Vevay, Switzerland County, Indiana; 2) 804 West Main Street, Vevay, Switzerland County, Indiana; 3) 310 North Main Street, Liberty, Union County, Indiana; and 4) 2114 State Road 56, East Enterprise, Switzerland County, Indiana. The application was received on May 3, 2006. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank will purchase the land for \$125M, the buildings for \$425M and equipment for \$125M from First Financial Bank, N.A. for all the branches. The bank's three-year average ROA is 1.48%. As of March 31, 2006, the tier 1 leverage capital ratio is 7.26%. Pro forma tier 1 leverage capital after the capital injection will be 6.76%. The investment in total fixed assets to total capital will increase from 19.77% as of March 31, 2006, to 20.39% after the investment in all of the fixed assets. This institution will have a total of 66 branches after the acquisition of the four branches. **This was approved by the Director on June 2, 2006, under delegated authority.**

2. **STAR FINANCIAL BANK, FORT WAYNE, ALLEN COUNTY, INDIANA**

The bank has requested permission to hold a piece of property in excess of the ten-year limitation prescribed in IC 28-1-11-5. The real estate is located at 301 West Diamond Avenue, Columbia City, Indiana. The property was acquired on March 26, 1993, as a deed in lieu of foreclosure. The bank presently carries this ORE property on its books at zero cost. The bank has been unable to dispose of the property. Currently the bank has a month-to-month tenant on the property. The most recent appraisal estimates the value of the real estate to be \$50,000.

As of March 31, 2006, STAR Financial Bank had total assets of \$1.4 billion, total deposits of \$1.1 billion, and total equity capital of \$124 million. The bank's ROA as of March 31, 2006 is 0.83% and tier 1 leverage capital ratio is 8.64%. Allowing the bank to continue to hold the real estate does not appear to endanger the safety and soundness of the bank. **It is recommended the bank be granted an extension to hold the real estate until June 30, 2007. This was approved by the Director on June 2, 2006, under delegated authority.**

3. **SUNTRUST BANK, ATLANTA, FULTON COUNTY, GEORGIA**

An application for issuance of a certificate of admission was received from SunTrust Bank, Atlanta, Fulton County, Georgia ("SunTrust"). SunTrust filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22. The bank intends to act as testamentary trustee, inter vivos trustee, executor, administrator, guardian, conservator, or any other fiduciary capacity for residents of Indiana or clients with property located in Indiana. SunTrust is requesting a certificate of admission as a foreign corporation due to a pending appointment for a trust account. SunTrust will not have a physical location in Indiana. CT Corporation, 251 East Ohio Street, Suite 1100, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by SunTrust. **The Director approved the Certificate of Admission on June 2, 2006, under delegated authority.**

4. **FIRST INTERNET BANK OF INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The First Internet Bank of Indiana has requested the approval of the Director for:

1. The payment to a shareholder of \$1,712,328.75 for the redemption of the shareholders 86,204 shares of bank voting common stock. This redemption is in connection with a Plan of Exchange in which the shareholder exercised its dissenter's rights in accordance with IC 28-1-7.5-8; and
2. The redemption of 86,221 shares of bank voting common stock for \$1,712,671.25 pursuant to IC 28-13-3-3(a). The shares so redeemed shall constitute authorized, but unissued shares of bank stock.

The First Internet Bank of Indiana also requests the approval of the Department for:



3. The reduction of the corporation's capital stock and capital surplus pursuant to IC 28-13-4-5(c) in the amount of \$3,425,000 or representing 172,425 shares of bank capital stock.

The bank's request is being made in connection with the Plan of Exchange in which the bank became a wholly-owned subsidiary of a new corporation, First Internet Bancorp. The bank submitted a Board Resolution passed at its regular board meeting of May 15, 2006. The Board Resolution approves the payment of \$1,712,328.75 for the redemption of the 86,204 shares of bank voting common stock and the redemption of 86,221 shares of bank voting common stock for \$1,712,671.25; and therefore, a capital reduction by the bank.

As of March 31, 2006, First Internet Bank of Indiana had total assets of \$434 million, total deposits of \$330 million, and total equity capital of \$41.8 million. The bank's ROA as of March 31, 2006 is 0.49% and tier 1 leverage capital ratio is 9.97%. On a Proforma basis after the reduction of capital stock and capital surplus as of March 31, 2006, the bank would have total equity capital of \$40 million and a tier 1 leverage capital ratio of 9.57. **Approval of the Board Resolution and reduction to capital stock and capital surplus was approved by the Director on June 2, 2006, under delegated authority.**

5. **SYMPHONY BANK, INDIANAPOLIS, MARION COUNTY, INDIANA**

Symphony Bank has applied to the Department for permission to make changes to the bank's executive management team. Symphony Bank was approved as a state chartered commercial bank by the Department on April 14, 2005, and opened for business on June 29, 2005. Symphony Bank has requested approval to add Jeffrey L. Hale as President and CEO, Jeffrey A. Salesman as Executive Vice President Business Development and Jeffrey S. Davis as Executive Vice President Operations. **This was approved by the Director on June 12, 2006, under delegated authority.**

6. **STATE BANK OF LIZTON, LIZTON, HENDRICKS COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **6529 East State Road 334, Zionsville, Boone County, Indiana**. The application was received on May 24, 2006. The branch is to be known as **State Bank of Lizton**. The proposed branch is a 4,400 square foot, one story, newly constructed branch banking facility on Outlet "D" in the Anson Marketplace development. The applicant purchased the property from an independent third party for \$1,031M. The estimated cost for constructing the branch is \$1,670M. Furniture, fixtures and equipment costs are approximated at \$553M. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.11%. As of March 31, 2006, the bank's ROA was 1.04% and its Tier 1 leverage capital ratio was 13.04%. The investment in total fixed assets to total capital will increase from 10.59% to 21.14% after the establishment of this branch. This will be the institution's eighth branch. **This was approved by the Director on July 6, 2006, under delegated authority.**

7. **STAR FINANCIAL BANK, FORT WAYNE, ALLEN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **1651 East 29<sup>th</sup> Street, Muncie, Delaware County, Indiana**. The application was

received on May 30, 2006. The branch is to be known as **STAR Financial Bank**. The proposed branch is a 3,350 square foot, one story, newly constructed branch banking facility.

The applicant purchased the property from an independent third party for \$525M. The estimated cost for constructing the branch is \$575M. Furniture, fixtures and equipment costs are approximated at \$150M. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 0.91%. As of March 31, 2006, the bank's ROA was 0.83% and its Tier 1 leverage capital ratio was 8.64%. The investment in total fixed assets to total capital will increase from 24.22% to 25.15% after the establishment of this branch. This will be the institution's 43rd branch. **This was approved by the Director on July 6, 2006, under delegated authority.**

8. **THE STONE CITY BANK, BEDFORD, LAWRENCE COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **2614 East 3<sup>rd</sup> Street, Bloomington, Monroe County, Indiana**. The application was received on June 6, 2006. The branch is to be known as the **Bloomington Branch**. The proposed branch is a 2,800 square foot existing office building in an outlet of a retail shopping center. The applicant is leasing the space from an independent third party for 21 years with three extensions of five years each with an initial annual rental of \$144M. Furniture, fixtures and equipment costs are approximated at \$150M. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 0.34%. As of March 31, 2006, the bank's ROA was 0.70% and its Tier 1 leverage capital ratio was 6.77%. The investment in total fixed assets to total capital will increase from 34.59% to 37.59% after the establishment of this branch. This will be the institution's second branch. **This was approved by the Director on July 6, 2006, under delegated authority.**

9. **IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate a branch office from **1803 North Lincoln Street, Greensburg, Decatur County, Indiana** to **1901 North Lincoln Street, Greensburg, Decatur County, Indiana**. The application was received on June 2, 2006. The branch is to be known as the **Greensburg Branch**. The bank proposes to build a 4,083 square foot new modern facility on the outlet of the shopping center. The applicant purchased the land on September 22, 2005, from an independent third party for \$225M. The estimated cost for constructing the new branch is \$1,015M. Furniture, fixtures, and equipment costs are projected at \$357M. No relationship exists between the parties involved in this transaction. The expected date to relocate is September 1, 2006. The bank's three-year average ROA is 1.25%. As of March 31, 2006, the bank's ROA was 0.68% and its Tier 1 leverage capital ratio was 10.26%. The investment in total fixed assets to total capital will increase from 3.84% to 4.05% after the branch relocation. The bank will have 23 branches after the relocation. **This was approved by the Director on July 6, 2006, under delegated**

**authority.**

**10. IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate a branch office from **555 Crosstown Parkway, Kalamazoo, Kalamazoo County, Michigan** to **1717 South Westnedge Avenue, Kalamazoo, Kalamazoo County, Michigan**. The application was received on June 2, 2006. The branch is to be known as the **Kalamazoo Branch**. The bank will lease the 7,100 square foot newly constructed banking facility. The applicant is leasing the space from an independent third party for ten years initially at \$158M annually. After the initial term of the lease, the lease can be renewed for two consecutive five year extensions. It is estimated there will be \$250M worth of leasehold improvements. Furniture, fixtures, and equipment costs are approximated at \$430M. No relationship exists between the parties involved in this transaction. The expected date to relocate is August 1, 2006. The bank's three-year average ROA is 1.25%. As of March 31, 2006, the bank's ROA was 0.68% and its Tier 1 leverage capital ratio was 10.26%. The investment in total fixed assets to total capital will increase from 3.84% to 4.05% after the branch relocation. The bank will have 23 branches after the relocation. **This was approved by the Director on July 6, 2006, under delegated authority.**

**11. INDIANA BUSINESS BANK, INDIANAPOLIS, MARION COUNTY, INDIANA**

Indiana Business Bank has requested approval of the Director for permission to add a new director to the bank's board of directors. Indiana Business Bank was approved as a state chartered commercial bank by the Department on September 9, 2004, and opened for business on November 17, 2004. Pursuant to the approval conditions by the Department, the Director must give prior approval to any changes in the officers or directors of the bank in the first three years of operation. Indiana Business Bank has requested adding Mr. Ifeanyi Osili as director of the bank. Based on a review of all the information submitted on Mr. Osili, approval is recommended. **This was approved by the Director on July 6, 2006, under delegated authority.**

**12. SPRINGS VALLEY BANK & TRUST COMPANY, FRENCH LICK, ORANGE COUNTY, INDIANA**

The bank has applied to the Department for permission to amend Section 10 of its Articles of Incorporation. The indemnification provisions added to Section 10 of the Articles of Incorporation are intended to encompass the provisions of IC 28-13-13, as from time to time are amended. These Articles of Amendment amend no other provisions of the Articles of Incorporation. The effective date of the amendment will be the date the Articles of Amendment are filed with the Secretary of State. **This was approved by the Director on July 6, 2006, under delegated authority.**

**13. THE CITIZENS EXCHANGE BANK, FAIRMOUNT, GRANT COUNTY, INDIANA**

The bank has applied to the Department for approval to amend its Articles of Incorporation. The amendment will reduce the number of authorized shares of common stock from 1,624 to

1,588. The reduction and cancellation of the 36 shares is the result of bank's acquisition of the shares which was approved by action taken by the Director on May 4, 2006. The

effective date of the amendment will be the date the Articles of Amendment are filed with the Secretary of State. **This was approved by the Director on July 6, 2006, under delegated authority.**

**14. FIRST FARMERS BANK AND TRUST COMPANY, CONVERSE, MIAMI COUNTY INDIANA**

The bank has entered into a purchase and assumption agreement dated May 26, 2006, with Fifth Third Bank, Grand Rapids, Michigan, for three bank branches. The bank will purchase approximately \$1,100M in fixed assets, \$12,305M in net loans \$64,326M in cash on hand and \$81M in other assets while assuming deposits of \$77,697M.

The bank has applied to the Department for approval to establish three branch banking offices to be located at: **1) 310 Lane Street, North Judson, Starke County, Indiana; 2) 101 Main Street, Culver, Marshall County, Indiana; and 3) 1402 South Heaton Street, Knox, Starke County, Indiana.** The application was received on June 13, 2006. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank will purchase the land for \$88M, the buildings for \$732M and equipment for \$280M from Fifth Third Bank for all the branches. The bank's three-year average ROA is 1.46%. As of March 31, 2006, the tier 1 leverage capital ratio is 10.05%. Pro forma tier 1 leverage capital will be 8.50%. The investment in total fixed assets to total capital will increase from 21.37% as of March 31, 2006, to 24.85% after the investment in all of the fixed assets. This institution will have a total of 15 branches after the acquisition of the three branches. **This was approved by the Director on August 3, 2006, under delegated authority.**

**15. 1ST SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **7355 Heritage Square Drive, Granger, St. Joseph County, Indiana.** The application was received on July 10, 2006. The branch is to be known as **Martin's – Gumwood Branch.** The proposed branch is a 600 square foot office inside a Martin's Super Market. The bank is leasing the space from an independent third party with an annual rental of \$38M for the first year, \$46M for the second year, \$53M for the third year and \$55M for the final two years of the initial lease. The term of the lease is for five years with one five-year option. It is estimated that there will be \$41M worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are projected at \$110M. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 0.88%. As of March 31, 2006, the bank's ROA is 1.15% and its Tier 1 leverage capital ratio is 11.17%. The investment in total fixed assets to total capital will be 8.10% after the establishment of this branch. The institution will have 64 branches with the opening of this branch. **This was approved by the Director on August 3, 2006, under delegated authority.**

**16. GRABILL BANK, GRABILL, ALLEN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located received on July 7, 2006. The branch is to be known as the **Northbrook Branch**. The

proposed branch is a 3,200 square foot, one story, newly constructed branch banking facility. The applicant purchased the land from an independent third party in October 2004 for \$395M. The estimated cost for constructing the branch is \$600M. Furniture, fixtures, and equipment costs are projected at \$200M. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.21%. As of March 31, 2006, the bank's ROA was 1.25% and its Tier 1 leverage capital ratio was 8.37%. The investment in total fixed assets to total capital will be 12.74% after the establishment of this branch. This will be the institution's seventh branch. **This was approved by the Director on August 3, 2006, under delegated authority.**

17. **STAR FINANCIAL BANK, FORT WAYNE, ALLEN COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate a branch office from **315 South Adams Street, Marion, Grant County, Indiana** to **101 South Branson Street, Marion, Grant County, Indiana**. The application was received on July 7, 2006. The branch is to be known as the **Marion Downtown Branch**. The downtown office is being relocated to an existing building consisting of 3,200 square feet approximately one city block from the current site. The bank plans to replace the current downtown office with a newly constructed branch facility on the existing site in the next two years. The applicant is leasing the space from an independent third party for eighteen months with one extension of thirty days with an annual rental of \$38.4M. It is estimated there will be \$4M worth of leasehold improvements. Furniture, fixtures, and equipment costs are projected at \$30M. No relationship exists between the parties involved in this transaction. The expected date to relocate is August 14, 2006. The bank's three-year average ROA is 0.91%. As of March 31, 2006, the bank's ROA was 0.83% and its Tier 1 leverage capital ratio was 8.64%. The investment in total fixed assets to total capital will increase from 24.22% to 25.18% after the branch relocation. The bank will have 43 branches after the relocation. **This was approved by the Director on August 3, 2006, under delegated authority.**

18. **INDIANA BUSINESS BANK, INDIANAPOLIS, MARION COUNTY, INDIANA**

Indiana Business Bank has requested approval of the Director for permission to add a new director to the bank's board of directors. Indiana Business Bank was approved as a state chartered commercial bank by the Department on September 9, 2004, and opened for business on November 17, 2004. Pursuant to the approval conditions by the Department, the Director must give prior approval to any changes in the officers or directors of the bank in the first three years of operation. Indiana Business Bank has requested adding Mr. Patrick J. Early as director of the bank. Based on a review of all the information submitted on Mr. Early, approval is recommended. **This was approved by the Director on August 3, 2006, under delegated authority.**

19. **FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of an amendment to its Articles of

Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Choice Dental Center – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10).

Stones Crossing Dentistry – Greenwood – 8 members (common bond of occupation as defined by 28-7-1-10).

30 Minute Mall Corporation – Indianapolis – 18 members (common bond of occupation as defined by 28-7-1-10).

Northpoint Dental Care – Fishers – 5 members (common bond of occupation as defined by 28-7-1-10).

Unique Window & Door, Inc. – Indianapolis – 150 members (common bond of occupation as defined by 28-7-1-10).

Heritage Automotive Group – Shelbyville – 25 members (common bond of occupation as defined by 28-7-1-10).

Richard C. Weber, D.D.S. – Fishers – 7 members (common bond of occupation as defined by 28-7-1-10).

Lawrence Enterprises, Inc. – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on June 5, 2006, under delegated authority.**

**20. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Employees of the Archdiocese of Indianapolis – Indianapolis – 5,000 members (common bond of occupation as defined by 28-7-1-10).

S&P Properties, LLP – 3 members (common bond of occupation as defined by 28-7-1-10).

**This was approved by the Director on July 5, 2006, under delegated authority.**

**21. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Property Management, LLC – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10).

R.T. Moore Mechanical Contractors – Indianapolis – 232 members (common bond of occupation as defined by 28-7-1-10).

Conrad-Wasserstrom Sports Chiropractic Center – Carmel – 10 members (common bond of occupation as defined by 28-7-1-10).

Monogram Magic – Indianapolis – 9 members (common bond of occupation as defined by 28-7-1-10).

Smiles On 146<sup>th</sup> Street – Nobelsville – 5 members (common bond of occupation as defined by

28-7-1-10).

Priority Associates – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on July 5, 2006, under delegated authority.**

**22. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organization into the field of membership of the credit union:

B & G Holdings, Inc. – Edwardsburg, MI – 7 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on July 21, 2006, under delegated authority.**

**23. IPALCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organization into the field of membership of the credit union:

American Security, Inc. – Bloomington – 400 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on August 3, 2006, under delegated authority.**

**24. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Auto Research Center – Indianapolis – 28 members (common bond of occupation as defined by 28-7-1-10).

Willow Marketing – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10).

Pratt Studio of Photography – Waldon – 2 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on August 3, 2006, under**

**delegated authority.**

**Other Business.** Chairman Holdman asked if there was other business. There being no further business, Chairman Holdman adjourned the meeting.

**APPROVED:**

**ATTEST:**



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**Travis Holdman, Chairman**

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**J. Philip Goddard, Secretary**